

LIST OF THE BARLOWORLD RISK CATEGORIES AND RISK SOURCES

#	RISK CATEGORY		RISK SOURCES
EXTERNAL ENVIRONMENT	1. REGULATORY/LEGISLATIVE	Compliance with Regulatory environment*	Compliance with International standards of accountability
		Global compliance Requirements (GDPR)	
	2. SOCIO –POLITICAL	Political Instability/Uncertainty	Global Conflicts and Terrorism
		Fraud ,Crime and Corruption	High unemployment, Income disparity and inequality
3. ECONOMIC	Competitive pricing and profit pressure	Currency and liquidity volatility *	
	Limited economic growth	Volatile commodity prices*	
4. ENVIRONMENT	Sustainability	Natural disasters and Resource limitations	
	Climate Change and Environmental impact		
BEHAVIOURAL ENVIRONMENT	1. GOVERNANCE	Directors Breach of Fiduciary Duties	Poor Corporate Performance
		Lack of Director Proficiency & Care	Loss of License to operate
		Misdirection of Organization	False Assurance
		Financial Reporting & Disclosures	Ineffective Corporate Social Responsibility
	2. ETHICS	Financial Distress	
		Corporate Non-Compliance	Corporate Unethical Conduct
	3. REPUTATION MANAGEMENT	Conflict of Interest	Impaired Auditors - lack of Independence, Objectivity, Professionalism & Integrity
		Shareholder Activism	Breach of Public Trust
4. INNOVATION AND AGILITY RISKS	Reckless Risk Taking	Shareholder concentration risk	
	Operational – Business failure to meet its quality, cost or scheduling requirements	Financial- Directors and Senior management investing in unsuccessful innovation projects	
	Strategic – Business failure in Research and Development	Low margin yield in Innovation projects	
		Commercial – Business failure to attract enough customers	

#	RISK CATEGORY		RISK SOURCES	
INTERNAL RISK ENVIRONMENT	1	STRATEGIC	Change Management and BBS Acquisition Risks Principals & suppliers Dependency* Significant customers and dependence on channels to market Shareholder/ stakeholder return expectations.	Doing business with Government Competitor Risk* Risk of Failure of BEE Deal Strategic Alignment and failure to deliver on strategic projects Multi-Stakeholder Relationships
	2	OPERATIONAL	Occupational health and safety risks Operational Performance Constraints in energy supply Markets	Procurement, Logistics and supply chain Crisis Management Intellectual Property Product and Quality
	3	FINANCIAL	Future net cash flows, Liquidity and Working Capital Defined benefit scheme exposure - UK Pension * Interest Rates and Credit Risk	Constraints on the repatriation of funds * Foreign Exchange * Insurance Coverage
	4	HUMAN CAPITAL	Skills Shortage & Loss of key staff Leadership and Succession Planning Attracting, developing and retaining diverse talent * Change Management	Relevant skills and leadership competencies Unions and Labour actions Cost of Skilled Resource Inadequate and/or substandard education and skills development
	5	TECHNOLOGY	Information security risks and digital disruption * Technological changes IT systems, performance and support structures	Cyberattack / Cybercrime Social Media and Mobile Connectivity Digital Immaturity
	6	LEGAL & COMPLIANCE	Environmental Risk – carbon Taxes, greenhouse emissions Non-Compliance with Regulations	Professional, product, service , contractual and employment practices liabilities ABC and Internal Policies